

## **NOTICE OF PROPOSED FEDERAL SALARY OFFSET (Employee's Rights and Responsibilities)**

### **YOUR DEBT**

The U.S. Department of Education (Department) holds a claim against you for one or more past due, defaulted debt(s) for which you are responsible. The enclosed letter provides the principal and interest balance of the debt(s) that the Department has referred to the Treasury Offset Program (TOP) for collection. Unless you pay this debt in full, make satisfactory arrangements to repay it, or make a timely, valid objection to enforcement of the debt, the Department will collect this debt by salary offset against pay owed to you by a Federal agency. The amount of the debt, plus a servicing fee and accrued interest, will be collected by deductions of 15 percent of your disposable pay (or lump sum payment), as defined in the enclosed letter.

These deductions will begin no earlier than 65 days from the date of this letter and will continue until the debt is paid in full. If this debt is repaid solely by deductions from pay, a deduction of 15 percent will be made from each payroll disbursement to you. The number and duration of these deductions depends on the size of the debt you owe and the amount of your disposable pay. The Department does not have information on your disposable pay but you may estimate the length of the offset by first multiplying your disposable pay by 15 percent, and then dividing the amount referred to Treasury, as shown on the enclosed letter, by that figure to determine the approximate number of pay periods this offset will affect. This estimate will not account for interest that continues to accrue on the debt, so the number of pay periods affected will be higher than the result of the estimate.

### **HOW TO REPAY THE DEBT IN FULL**

To pay the debt in full, call the Department at 312-730-1477 (option 2) to obtain the current balance of the debt and send a check or money order for that amount. Be sure to include your name and Social Security Number on your check or money order. Send your payment to:

**U.S. Department of Education  
National Payment Center  
P.O. Box 105028  
Atlanta, GA 30348-5028**

### **YOUR RIGHTS**

You have the right to –

- Request Department-held documents related to the debt(s) eligible for salary offset.
- Receive a hearing, by an official who is independent of the Department, to present objections regarding the amount or existence of the debt(s) or to the deduction of 15 percent of disposable pay to satisfy the debt(s).
- Enter into a written repayment agreement satisfactory to the Department in order to avoid collection of the debt(s) by salary offset.
- Have a lawyer represent you in exercising these rights.

## HOW TO EXERCISE YOUR RIGHTS

YOU MUST EXERCISE THESE RIGHTS IN ACCORDANCE WITH THE DEPARTMENT RULES:

### To Request Documents

To receive documents regarding the debt(s), you must make a written request. Your written request must include your Social Security Number. You must include a reasonable description of the records you want to receive. Documents available may include the promissory note evidencing the debt, the loan application, records of payments made to the Department, the document used by the school or lender to file a claim on the loan guarantee (in the case of a guaranteed student loan), or to assign the loan to the government (in the case of a National Direct/Defense Student Loan or Perkins Loan), and correspondence between you and the school or lender regarding the debt. Not all of these documents are available in every case. Send your written request to:

U.S. Department of Education  
Attn: FSO Unit  
P.O. Box 617548  
Chicago, IL 60661-7548

### To Request A Hearing

If you wish to object to collection of the debt(s), you may receive a hearing by an official who is independent of the Department. To receive such a hearing, you must make a written request for hearing, within 65 days of the date of the enclosed letter, to the Federal Salary Offset (FSO) Unit at the address provided in this notice. You can use the enclosed REQUEST FOR HEARING form to state your objections. If you requested documents within 20 days of the date of the enclosed letter, you will have 15 days after the date the Department mailed the documents to request a hearing, even if that would take your request outside the 65 day period. You must include in your request:

- your name;
- your Social Security Number;
- the debt(s) about which you raise objections;
- a completed REQUEST FOR HEARING form (see enclosed) and/or a statement of the objections you have to the collection of the debt(s) by salary offset; and
- copies of any documents you want to be considered to support your objections.

You may also object to the proposed salary offset on the grounds that the offset will cause you an extreme financial hardship, by preventing you from meeting the cost of food, housing, clothing, essential transportation, and medical care for you and your dependents. If you want to object on this ground, however, you must provide credible documentation to the Department that proves the costs incurred by you, your spouse and any dependents for basic living expenses, and the income available from any source to meet those expenses. If you contend that collection at the rate of 15 percent of your disposable pay will cause an extreme financial hardship to you, you must include the following:

- a completed REQUEST FOR HEARING form (see enclosed) and/or a statement of the reasons for your claim;
- an alternate repayment amount that you believe will satisfy the debt in a reasonable time without causing you extreme hardship; and
- a completed FINANCIAL DISCLOSURE STATEMENT (see enclosed) together with documents showing the income, assets, liabilities and expenses of you, your spouse and your dependents for last year and for each year of the proposed salary offset. See the enclosed FINANCIAL DISCLOSURE STATEMENT for additional information.

### **To Request an Oral Hearing**

If you want to receive an oral hearing before an official who is independent of the Department, you must send a completed REQUEST FOR HEARING form or submit a written request for a hearing, within 65 days of the enclosed letter (or within 15 days after copies of your requested documents were sent to you, if you requested documents within 20 days of the enclosed letter), to the FSO Unit address provided in this notice. In addition to the information specified in the above section on requesting a hearing, you must specify that you want an oral hearing. See the enclosed REQUEST FOR HEARING form. In your request for an oral hearing, explain:

- why your objections cannot be resolved by a review of your written statement(s) and document(s) relating to your debt;
- who will testify;
- which facts they will testify about; and
- the reason their testimony is necessary to resolve your objections.

If the Hearing Official grants your request for an oral hearing, you will be contacted to schedule the time and place for the hearing. You will then have 15 days from the date of the notification to respond in writing as to whether you intend to proceed with the oral hearing or request a decision based on the written record, or make any changes to the list of witnesses or facts they will testify to in the hearing. The Hearing Official may decline your request for an oral hearing if your written request for a hearing is not timely, does not contain the required information, you do not appear for the scheduled oral hearing, you do not reply to the Hearing Official's notification of the oral hearing, or if the Hearing Official determines that your objections can be adequately resolved by a review of your written statement provided with your REQUEST FOR HEARING form and the documents relating to your debt. If the oral hearing is denied, you will receive a written determination, also conducted by an official independent of the Department.

### **To Enter Into a Repayment Agreement**

If you want to enter into a repayment agreement at 15% of your disposable pay, you must send a written statement to the FSO Unit address provided in this notice together with a copy of your two most recent pay stubs. To avoid salary offset you must agree to pay the loan under terms acceptable to the Department, return a signed repayment agreement and actually make the first payment under the agreement within 65 days of the enclosed letter, and continue to make payments according to your agreement. If you made a request for documents within 20 days of the enclosed letter, you have 15 days from the date the documents were mailed to you to work out a repayment agreement and make the first payment. If you objected to the debt within the deadlines explained in this notice, but a decision was made denying your objections, you will have seven days from the date the decision is mailed to you to work out the agreement and make the first payment. If you do not enter into and maintain an acceptable repayment agreement, the Department may initiate salary offset without further notification.

### **Military**

If you are currently active in the military, the Department will offset your wages. However, if you are currently deployed, the Department will not offset your wages. To prove that you are now deployed, you must provide a copy of DD Form 214 to the FSO Unit at the address provided in this notice.

### **Objections You May Raise To Collection Of The Debt**

You can object to the collection of all or part of a student aid debt on several grounds. The Department will not collect all, or part of a debt, to the extent that:

- The debt is not past due at this time because you have already repaid the debt, or you have made and are now making the payments required under the repayment agreement you reached with the Department.
- The debt is not legally enforceable against you at this time because, for example, you have filed bankruptcy and your case is still pending in the court, or the debt was discharged in past bankruptcy, or the debt was cancelled for the death or disability of the borrower; or the loan was cancelled in part for qualifying military, teaching, or volunteer or public service.
- The school owed you a refund for the period for which the loan was made, but did not pay the refund or paid only part of the refund.
- The school you attended closed during the period for which the loan was made, or you did not have a high school diploma or GED and the school improperly determined that you could benefit from its training.

### **Your Rights If The Department Denies Your Objections And Offsets Your Pay**

If you present objections to collection, you will be sent a written decision within 60 days after you request a hearing, unless you were granted a delay in the proceedings, explaining whether the Department will collect the debt in whole or in part, the reasons why, and the amount to be collected. If you disagree with this decision, and your pay is offset, you may have the decision reviewed by bringing a lawsuit in Federal district court.

### **If You Miss A Deadline For Exercising Your Rights**

You may obtain documents or a hearing or enter into a repayment agreement, even if you miss the deadlines in this notice. However, if the salary offset has already started, the Department will not stop or suspend the salary offset until a hearing decision is rendered unless you show that your request for a hearing was late because you did not have notice of the proposed salary offset or because factors beyond your control prevented you from making your request within the deadlines in this notice.

If you later prove that the debt was not enforceable by salary offset, the Department will return to you the amount collected that exceeded the proper amount. If you later enter into a repayment agreement and make the first payment, the Department will either return the amount collected by salary offset after that date, or will credit the amount to your account.

Unless you agree in writing to the salary offset proposed here, any payment to your debt that the Department receives from the offset does not constitute an acknowledgement on your part that the debt is valid or waive your right to dispute the debt.

If you knowingly make false statements or submit documents containing false information in connection with this salary offset, you may be subject to disciplinary procedures, criminal prosecution or civil or administrative penalties.